

**LUXAN & MURFITT**

PROFESSIONAL LIMITED LIABILITY PARTNERSHIP  
ATTORNEYS AT LAW

MONTANA CLUB BUILDING • 24 W. SIXTH AVE., 4TH FLOOR  
P.O. BOX 1144 • HELENA, MONTANA 59624

(406) 442-7450  
FAX (406) 442-7361

JEFFREY R. GLOVAN  
GREGORY G. GOULD  
TOM K. HOPGOOD, OF COUNSEL  
MARK I. LANCASTER  
KELTON D. OLNEY  
CANDACE C. PAYNE  
DALE E. REAGOR, OF COUNSEL

GARY L. DAVIS (1940-2011)  
WALTER S. MURFITT (1930-2002)  
H.J. LUXAN (1918-1984)

VIOLA J. ZINDELL, CLA, PARALEGAL  
SABRINA C. HALLSTEN, PARALEGAL

February 17, 2015

**HAND DELIVERED**

Hon. Roger Webb, Chairman  
Senate Energy & Telecommunications  
Committee

Dear Senator Webb:

Chairman Webb, members of the Committee, thank you for allowing me to speak. I am Tom Hopgood, representing the 25 MW New Colony Wind Project located in Wheatland County.

New Colony Wind has been designed as a 25 MW CREP project in compliance with the existing CREP statute. It has participated in NorthWestern Energy's competitive bid process for CREP projects since 2012. By demonstrating its low energy cost, prime location, and local benefits, New Colony rose to the top of the bidding and signed a power contract in January 2015, three weeks ago.

Both New Colony Wind and Greycliff Wind have relied on the existing statute in making substantial investments – hundreds of thousands of dollars spent in Montana to date – and start of on-site construction for these projects. New Colony and Greycliff have been, and can continue to be, boons for the local community and for NorthWestern Energy rate payers.

New Colony Wind is a \$45 million dollar project. It will bring numerous local and Montana-based contracting opportunities as well as an estimated \$700,000 in impact fees to Wheatland County's local schools and government. Counting beneficiaries of lease income, impact fees, and tax revenues, this project is collectively estimated to provide nearly \$10 million over 25 years. Finally, the project will provide attractive energy pricing on par with any of the energy resources in the state.

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We are concerned about SB 305. In particular, it should not be made retroactive to 2012. Making it retroactive to 2012 would enable NorthWestern Energy to certify as a CREP its 40 megawatt Spion Kop project, which went into service in 2012, thus removing NorthWestern's incentive to move forward with existing contracts executed this January 2015. We are not aware of any consumer benefit to making the bill retroactive. For example, we understand the cost of energy for Spion Kop exceeds the energy costs for New Colony and Greycliff contracts.

For these reasons, I am asking the Energy Committee to amend SB 305 to remove the retroactive applicability in Section 4(b). It is neither fair nor reasonable to change the rules in the middle of the game. In particular, the bill in its current form could harm Montana residents who will gain substantial benefits with the construction of the New Colony and Greycliff projects.

Thank you very much for your time.

Sincerely,

TOM K. HOPGOOD

for LUXAN & MURFTT, PLLP

TKH/vjz